CITY OF MIAMI BEACH COMMISSION ITEM SUMMARY



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Award a Contract to BellSouth for Local and Long Distance Telephone Services, Pursuant to Bid NO. 49-02/03, Providing Citywide Local and Long Distance Telephone Services in the Estimated Annual Amount of \$685,000.

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Shall the City Commission award a contact to BellSouth?

Item Summary/Recommendation:

The purpose of the Bid is to reduce the City's current annual expenditure for both local and long distance telephone service. After analyzing both BellSouth's and AT & T's bids, the Administration is recommending the award of a contract to BellSouth for both local and long distance telephone service. Said award represents an annual cost savings to the City of \$119,000, which was calculated as follows:

Long distance. BellSouth proposed to provide long distance service at an annual cost of \$41, 503, which represents a \$23,497 annual cost savings when compared to the current AT & T contract. The City currently pays \$65,000 for long distance service with AT & T. AT & T proposed a two-year contract at the same cost structure as we have today. Please refer to Attachment 1 for the long distance detail cost comparison.

Local service. BellSouth's Business Master Agreement (BBMA) and Customer Service Agreement (CSA) provide a cost savings of 13% or \$96,600 annually on local service. Additionally, the City will maximize the benefits of the BBMA contract by receiving an additional 13% discount on the long distance rates. The discount was applied to the Bellsouth long distance costs listed above.

Advisory Board Recommendation:

Financial Information:

Source of Funds:
K
Finance Dept.

Amount	Account	Approved
\$685,000	550.1750.000316	

City Clerk's Office Legislative Tracking:

Gus Lopez, ext. 6641

Sign-Offs:

Dep	artment Director	Assistant City Manager	City Manager	
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AGENDA ITEM <u>C25</u>

CITY OF MIAMI BEACH

CITY HALL 1700 CONVENTION CENTER DRIVE MIAMI BEACH, FLORIDA 33139 www.miamibeachfl.gov



Date: September 10, 2003

COMMISSION MEMORANDUM

To:

Mayor David Dermer and

Members of the City Commission

From:

Jorge M. Gonzalez

City Manager

Subject:

REQUEST FOR APPROVAL TO AWARD A CONTRACT TO BELLSOUTH

FOR LOCAL AND LONG DISTANCE TELEPHONE SERVICES, PURSUANT TO BID NO. 49-02/03, PROVIDING CITYWIDE LOCAL AND LONG DISTANCE TELEPHONE SERVICES IN THE ESTIMATED ANNUAL

AMOUNT OF \$685,000.

ADMINISTRATION RECOMMENDATION

Approve the Award.

AMOUNT AND FUNDING:

\$685,000 Account No. 550.1750.000316 (FY03/04)

ANALYSIS:

Invitation to Bid No. 49-02/03 (the "Bid") was issued on July 9, 2003, with an opening date of August 6, 2003. BidNet issued bid notices to seven (7) prospective bidders. Additionally, the Procurement Division sent the bid announcement to supplemental bidders either provided by the Information Technology Department or researched from the Internet, including authorized sales representatives of the major service providers referred to as "Brokers".

The notices resulted in the receipt of two (2) bids: 1) BellSouth; and 2) AT & T. Brokers were contacted as to why they elected not to bid, and they in turn, provided the following reasons: 1) we are unable to provide all the services listed in the bid (i.e. local service); 2) we do not have the "footprint" within the Miami area; 3) recent corporate changes resulted in not enough time to submit a bid; and 4) we specialize in smaller accounts (i.e. small businesses).

The purpose of the Bid is to reduce the City's current annual expenditure for both local and long distance telephone service. The IT department has the expertise required to evaluate the bids and provide a recommendation to the City's Administration. Currently, Gladys Acosta, IT Telecommunications Manager, has the professional training which was acquired during her first seventeen years in the private sector workforce. Specifically, in the Telecommunications Consulting industry where she developed advanced application solutions to enable a seamless integration of complex telecommunication technology.

After analyzing both BellSouth's and AT & T's bids, the Administration is recommending the award of a contract to BellSouth for both local and long distance telephone service. Said award represents an annual cost savings to the City of \$119,000, which was calculated as follows:

Long distance. BellSouth proposed to provide long distance service at an annual cost of \$41, 503, which represents a \$23,497 annual cost savings when compared to the current AT & T contract. The City currently pays \$65,000 for long distance service with AT & T. AT & T proposed a two-year contract at the same cost structure as we have today. Please refer to Attachment 1 for the long distance detail cost comparison.

Local service. BellSouth's Business Master Agreement (BBMA) and Customer Service Agreement (CSA) provide a cost savings of 13% or \$96,600 annually on local service. Additionally, the City will maximize the benefits of the BBMA contract by receiving an additional 13% discount on the long distance rates. The discount was applied to the BellSouth long distance costs listed above.

The term of BellSouth's agreement will be for four years from the time of award by the Mayor and City Commission and may be renewed by mutual agreement, for four (4) additional years.

CONCLUSION

Based on the analysis of the bids received, it is recommended that the contract be awarded to BellSouth as the lowest and best bidder, pursuant to Bid No. 49-02/03, to provide local and long distance telephone services to the City of Miami Beach, in the annual estimated amount of \$685,000.

PDW:MKR:GA:GL

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LD Comparison

Service Contract Term Dedicated T1 Circuit T1 Yearly Cost	BellSouth 2 yrs \$274 \$3,288	BellSouth 3 yrs \$274 \$3,288	BellSouth 4 yrs \$274 \$3,288	ATT 2 yrs \$227 \$2,724
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Intrastate	0.045	0.0431	0.0431	0.0567
Interstate	0.0297	0.0292	0.0292	0.029025
International	0.1973	0.1952	0.1952	0.5
800 Service Intrastate	0.0431	0.0431	0.0431	0.0383
800 Service Interstate	0.0293	0.0293	0.0293	0.041
800 Canada	0	0	0	0.69255
City's estimated Yearly Usage				
Intrastate 43,827+98513+125714	\$12,062	\$11,553	\$1 1,553	\$15,199
interstate 107,970	\$3,207	\$3,153	\$3,153	\$3,134
Total	\$15,269	\$14,706	\$14,706	\$18,332
International 11,646	\$2,298	\$2,273	\$2,273	\$5,823
800 Service Intrastate 91	\$4	\$4	\$4	\$3
800 Service Interstate 698	\$20	\$20	\$20	\$29
800 Canada 175	\$35	\$34	\$34	\$121
Total	\$59	\$59	\$59	\$153
Dedicated Total	\$17,626	\$17,038	\$17,038	\$24,309
Switched				
Intrastate	0.0695	0.0666	0.0666	0.09315
Interstate	0.0483	0.0454	0.0454	0.056025
International	0.2287	0.2263	0.2263	0.55
800 Service Intrastate	0.0431	0.0431	0.0431	0.0666
800 Service Interstate	0.0293	0.0293	0.0293	0.07
City's estimated Yearly Usage				
Intrastate 19,235+9867+88194	\$8,152	\$7,812	\$7,812	\$10,926
Interstate 47,119	\$2,276	\$2,139	\$2,139	\$2,640
Switch Total	\$10,428	\$9,951	\$9,951	\$13,566
International 1,985	\$454	\$449	\$449	\$1,092
Costs	\$49,363	\$47,705	\$47,705	\$65,846
Additonal 13% discount	\$6,417.14	\$6,201.67	\$6,201.67	
Total Costs	\$42,945	\$41,503	\$41,503	\$65,846